

City of Boulder Division of Housing

May 1, 2003

Marketing Procedures for Developers

In order to ensure fair public access to permanently affordable homeownership opportunities, the Division of Housing has developed required marketing procedures. When you are ready to market your Permanently Affordable homes, whether as pre-sales or upon completion, these are the steps to follow:

1. Notify the Division of Housing that you are preparing to market the homes and ask about the required and suggested marketing procedures. The City requires a 30-day open marketing period for all Permanently Affordable units. Although you may begin to advertise your upcoming properties prior to the beginning of this period, no commitment can be made to any buyer until the completion of the open marketing period and the following procedures. Permanently Affordable units are required to be marketed concurrently with market-rate units.
2. Propose dates for the beginning and end of your open marketing period and inform the Division of Housing. The marketing period must be a minimum of 30 days. It may not begin until the prices of your Permanently Affordable units have been established. (Note that prices cannot be set until your unit designs are finalized.) It also may not begin prior to the first public advertising for the units, or prior to the time you notify the Division of Housing that the units are for sale.
3. Advertise in a daily general publication during the open marketing period. Your advertising must describe the type of unit, indicate that the units are permanently affordable through City programs, and provide prices or price ranges. The Division of Housing will post your available units on our web-site and may notify specific groups of income-certified buyers by mail or phone. Upon request, the Division of Housing will provide you with address labels for eligible buyers for your marketing efforts.
4. Have your representatives be available to discuss floor plans, unit models, site plans, unit features, etc. with potential purchasers during the open marketing period. All interested buyers will need to apply to the City programs and be certified as income-eligible. Your representatives should refer potential buyers with eligibility and application questions to the Division of Housing.

5. Collect letters of intent-to-purchase from income-certified buyers. Interested buyers who have received preliminary certification letters from the Division of Housing must submit letters of intent to purchase either to you or to the City during the open marketing period. The letters of intent should specify any and all individual units the purchaser would want to purchase in order of preference. The City will provide a sample form.
6. Do not commit to sell any unit to any buyer during the open marketing period.
7. Submit all received letters of intent to the City at the end of the open marketing period. The Division of Housing will screen the purchasers by the preferences mandated by City Council. Currently a higher preference is given to purchasers who work and/or live in Boulder. In cases of equal preference, the Division of Housing will conduct a lottery.
8. Receive selection process results from the City and offer sales contracts. The Division of Housing will provide you with the selection process results and you will offer sales contracts according to those results. The first household drawn for a unit will have 48 hours to sign a contract. If this household fails to do so, you may offer the unit to the second household drawn and so on. You may take any number of back-up offers from eligible buyers for particular units if you so desire.
9. Sell remaining affordable units on a first-come, first-serve basis. Any units which are not matched with a household at the time of the lottery are then available first-come, first-serve. You do not have to conduct any further selection processes and you may offer a contract to any income-certified buyer. Keep in mind that the City will not allow households to purchase a unit in which the number of bedrooms exceeds the household size by more than one. In other words, a single person may not purchase a three bedroom unit.
10. Forward copies of contracts to the City. Once you have completed a contract with a buyer, you must forward a copy of the contract to the Division of Housing. At that time the Division will provide the buyer with a final certification of eligibility to purchase the unit. Households are not finally certified to purchase an affordable unit until the City has received a copy of the contract. Send copies of contracts to the City at the time of signing or immediately thereafter.
11. Inform the City of closing dates. Once you have selected a title company and have scheduled closing dates for your units, you must inform the Division of Housing. The Division of Housing will send buyers a copy of the affordability covenant recorded against the property and a number of other documents ensuring the City's ability to enforce the restrictions on the property. These documents will be forwarded to the appropriate title company before closing.

Additional Requirements:

- You may not enter into contracts with potential buyers until your building permit applications have been submitted to the City's Planning department. Alternative arrangements such as earlier options and reservations may be permitted if buyers can withdraw without penalty or there is convincing evidence that the unit designs are finalized and construction will occur in a timely fashion.
- The City expects that the earnest money requirement you set be affordable to low-income buyers. The City requires that buyers contribute a minimum of \$2000 to the purchase, so earnest money requirements up to that amount are acceptable. If you want a higher requirement, please provide us with a rationale and we will consider an exception.
- The Division of Housing has a policy governing allowable pre-purchase upgrades. Buyers may only opt for upgrades which are approved under this policy. Such upgrades must be approved by the City in advance of any marketing.
- The Division of Housing expects that you will communicate fully with buyers about any changes that occur between the date of contract and closing, e.g., construction delays, approved pre-purchase upgrades, design changes, etc.